

MEASURE CL ANNUAL REPORT

FROM: MEASURE CL PARCEL TAX CITIZENS' OVERSIGHT COMMITTEE

TO: HAWTHORNE SCHOOL DISTRICT BOARD OF TRUSTEES

DATED: DECEMBER 9, 2015

BACKGROUND

On November 6, 2012, 70.42% of Hawthorne voters approved Measure CL (Parcel Tax). This measure authorized the Local Classrooms Funding Authority (Authority), a Joint Powers Authority (JPA) created by the Hawthorne School District (Hawthorne), the Lawndale School District (Lawndale), the Lennox School District (Lennox), the Wiseburn School District (Wiseburn) and the Centinela Valley Union High School District (Centinela) to levy an annual tax of 2¢/square foot of lot for residential property and 7.5¢/square foot for other property types with exemptions for citizens over the age of 65, if they applied. This parcel tax commenced on July 1, 2013 and remains in effect indefinitely. This report covers the second fiscal year of the tax.

In each year the qualified special tax is levied, the Authority's Board and Agency shall take any action necessary to allow the appropriate County officer(s) to distribute the proceeds of that tax directly to each school district. Pursuant to the Agreement, based on the Average Daily Attendance and potential tax proceeds from the parcels located within each school district, each school district shall receive the following fixed proportion of the proceeds of the tax:

1. Centinela shall receive 40% of the proceeds of the qualified special tax
2. Hawthorne shall receive 16.6% of the proceeds of the qualified special tax
3. Lawndale shall receive 14.7% of the proceeds of the qualified special tax
4. Lennox shall receive 8.7% of the proceeds of the qualified special tax
5. Wiseburn shall receive 20% of the proceeds of the qualified special tax

Any funds left unallocated shall be split equally among the Members eligible to receive proceeds from the qualified tax.

The proceeds of the qualified special tax shall be applied only to the specific purposes identified in the Full Ballot Text:

- Protect academic quality in local K-12 schools
- Maintain math, science, English programs
- Provide education for students with disabilities/special needs
- Support computer technology and school security
- Prepare students for college/careers
- Retain excellent teachers

The Authority shall prepare and file with the Board and the governing board of its Members a report/audit detailing the amount of funds collected and expended no after than December 31 of each year while the qualified special tax is in effect. The Authority shall provide for the creation of an independent citizens' oversight committee to review

the allocation of the qualified special taxes collected pursuant to the Measure to ensure that moneys raised under this Measure are allocated in accordance with this Measure.

Any school district which expends proceeds of the qualified special tax shall create an independent citizens' oversight committee to review the expenditure of the proceeds of the qualified special tax to ensure that such proceeds are spent in accordance with this Measure. Hawthorne School District Board of Trustees approved the 2014-2015 Resolution #10 to Establish Measure CL Hawthorne Citizen Oversight Committee (HCOC) and Committee Bylaws. The HCOC Bylaws indicate the HCOC will:

- Receive and review expenditure reports produced by the District to ensure that parcel tax revenue was expended in accordance with the purposes set forth in Measure CL
- Prepare and present to the Board, in open session, an annual written report which will include:
 - A statement indicating whether the District's Measure CL expenditures were in accordance with the stated purpose
 - A summary of the Committee's proceedings for the preceding year

MEMBERSHIP

The Hawthorne Citizen Oversight Committee (HCOC) was approved by the Board in January 2014 and convened the same month.

Thierry Lubenec, Chair and Representative for Authority JPA

Maria Diaz

Dayna Johnson

Wilma Taylor, replaced by Charles Burton effective March 2015

Maria Tigolo

Committee members shall serve without compensation and for no more than two consecutive terms. After members are first seated, a minimum of four Committee members will be asked to volunteer to serve for an initial one (1) year term and the remaining members will serve for an initial two (2) year term. Committee Officers shall be a Chair, Vice-Chair and a Secretary. The HCOC agreed to serve the 2014-15 and the 2015-16 fiscal year, with the first year starting July 2014 and ending June 2015. The second year would start July 2015 and end June 2016, with the application process for 2016-17 starting in December 2015. The current HCOC will remain in place until the end of June 2016.

COMMITTEE HISTORY

The Committee's members have reviewed the purpose of the committee, committee bylaw and financial information over the past year during two separate meetings.

MEASURE CL REVENUE 2014-15

Hawthorne School District received \$1,539,883.24 in revenue deposited by the Los Angeles County Office Treasury. We are pending a copy of the 2014-15 revenues and exemptions from the Authority so we are unable to confirm this is 16.6% of total revenues received.

MEASURE CL EXPENDITURE 2014-15

Hawthorne School District spent \$1,907,454 and carried over \$363,541. Expenditures were as follows:

- Support computer technology and school security - \$1,907,454

The District plans to spend down the carryover amount during the 2015-16 fiscal year.

CONCLUSION

Based upon the information provided to the Committee by the District, the Committee is satisfied that the funds received for the fiscal year 2014-15 from proceeds of the Measure CL Parcel Tax, as approved by the voters November 6, 2012, were in fact budgeted and spent in accordance with the ballot language of Measure CL.

The 2014-15 Annual Report of the Parcel Tax Oversight Committee is respectfully submitted:

The Members of the Measure CL Parcel Tax Hawthorne Citizen Oversight Committee

Thierry Lubenec

Maria Diaz

Dayna Johnson

Charles Burton

Maria Tigolo
